

EXHIBIT AF

[PUBLIC VERSION]

Message

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Subject: update

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Hi all -- we filed the Fed membership application this evening. The roller coaster continues, as a senior KCFed staffer had a tepid reaction to the news, reminding Derek Bush at Cleary that there is still a question about our eligibility to apply, but thankfully then the Board general counsel in D.C. told Derek he welcomed us applying for membership. He almost sounded relieved -- as if, possibly, the biggest issue is now off the table because Avanti will now have a federal regulator. It's all very fluid.

More news -- on Tuesday night we discovered something infuriating -- that Anchorage has been granted an ABA routing number. As you may recall, Anchorage is an OCC trust bank. Its OCC charter was jammed through at the end of the Trump Administration. However, Anchorage is ineligible for an ABA routing number -- and yet the Fed verified it anyway. This makes a mockery of the Fed's public statements about the need for consistency and transparency of access, as well as Gov Brainard's statement to Sen Lummis on Tuesday that the Fed needs more time to get its head around crypto before letting a crypto company advance. They just let one through! It is also only the second time the Fed let an ineligible trust company advance through its process -- very rare. Long story short, the Fed all but admitted to Gov Gordon that it made a mistake. However, it doesn't appear that the Fed will fix the mistake by leveling the playing field for the rest of us.

Plus, it doesn't help that a former Fed governor (Kevin Warsh) is advising Anchorage. Smacks of an insider deal.

Gov Gordon spoke with Esther George today, and she basically gaslighted him -- she gave 3 excuses that sounded facially plausible, but were all "demonstrably BS" (credit to Chuck's apt and succinct description). 100% agreed.

Net-net, Cleary thinks the Fed has huge legal exposure here. Giving Anchorage -- a clearly ineligible company - its ABA routing number is a terrible fact against the Fed, especially when it's making applicants who are clearly eligible wait. The problem is that none of this matters if no one sues the Fed over it.

Gov Gordon is talking to Lael Brainard tomorrow, and he's armed with talking points to refute the excuses she is likely to give him. Sen Lummis is also all over this. Let's see where it ends up.

I'll keep you posted.